

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
1	Judiciary	Art IX, Sec 3(1) & 3(4)	3-7-101 through 3-7-502. 85-2-212 through 85-2-283.	1,607,320	None	02272	11.00	Water Court Operations - One Chief Water Judge; Five Water Masters; One Law Clerk; One Court Administrator; One Clerk of Court; and Two Deputy Clerks are paid with RIT funds. Additional staff were authorized by the 2005 Legislature and are paid from the water adjudication fund specified in 85-2-280, MCA.	General Fund or HB 22 (85-2-280, MCA) Water Adjudication Account.	Fifty-six decrees have been issued in eighty-five hydrologic basins in Montana. These decrees contain about 126,600 claims. The Water Court has provided tabulations of water rights to seven judicial districts for enforcement purposes. Water commissioners have been appointed to enforce Water Court decrees in about twenty District Court cases. Seven compacts resolving federal or Indian reserved water rights have been filed with the Water Court. All seven compacts have been approved by the Water Court.	The Water Court is to issue a temporary or preliminary decree by June 30, 2020, for all basins in Montana. 85-2-270(2), MCA. Progress towards this goal is managed by DNRC.	Jun-20
LFD COMMENTS:		Assessment: 1. Not Applicable 2. Function of the water court is <u>not</u> consistent with: a. Purpose of Fund Usage (RIT interest): 15-38-203, MCA b. Renewable Resource Grant and Loan State Special Revenue Account: 85-1-604, MCA 3. Program has measurable performance goals and objectives in place 4. Water court activity is tracked based on claims completed and basins decreed as activity takes place. 5. Program is <u>not</u> dependent on RIT funding as it has access to water adjudication fees. However, the status of the fee is questionable. 3-7-222, MCA supports use of general fund.						Discussion: Water adjudication is part of the Judiciary. The water court is equal to a district court. The Judge must meet the same requirements as that of a district court judge and is compensated in the same manner. 3-7-222, MCA provides that general fund may be used for the salary, expenses and office and staff requirements of the chief water judge. Actual claims examination done by DNRC is funded with general fund and the water adjudication fee.	Options: o Switch \$1.6 million of RIT funding to general fund. o Keep funding as is - would require change to RIT interest statute and R&R statute.			
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 15
2	Justice	<i>Not Provided</i>	HB 782	98,000	<i>None</i>	02937	1.00	Attorney General Services - To provide legal intervener services in water court claims where examination indicates abandonment or non-perfection of water rights. Because the state of Montana is the owner of all water in the state, pursuant to Article IX, section 3, of the Montana constitution, the legislature recognizes that it is in the state's best interest to ensure that valid issues raised as a result of claims examination in the statewide adjudication of pre-July 1, 1973, water rights are resolved before a final decree is issued.	General Fund	Function is just being establish in fiscal 2006	To insure representation of the state before the water courts	Oct-05
LFD COMMENTS:		Assessment: 1. Not applicable 2. AG intervener activities are <u>not</u> consistent with: a. Purpose of Fund Usage (RIT interest): 15-38-203, MCA 3. Program does not have measurable performance goals and objectives in place 4. Program does not have a monitoring plan in place 5. Program is <u>not</u> dependent on RIT funding. The program was provided one time only funding to establish this function.						Discussion: HB 782 of the 2005 Legislative session directed the AG's office to intervene on all water rights cases involving issues of claim abandonment and non-perfection. Funding was provided to assist in the hiring of two 0.5 FTE, one attorney and one paralegal. The program does not have performance goals in place, however the nature of the work is not predictable at this point in time to establish bona fide goals. The agency understands its role in representing the state in the water court and would be able to provide outcomes on such activities as they occur. The program was provided excess RIT corpus dollars, which were a result in a transfer from the groundwater account due to the fund exceeding its statutory balance. This activity will probably not occur in the next biennium; there fore RIT excess funds most likely will not be available.	Options: o Direct Department of Justice to seek other funding in the 2007 session. o Appropriate another RIT source for funding, which would require adjustment to statute(s).			
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 14

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3	Montana Bureau of Mines	N/A	85-2-901 et seq (1991)	\$1,332,000 and \$133,735	None	02289 & 02567	10.52	Support personnel and operations of the Ground-Water Assessment Program at the Montana Bureau of Mines and Geology.	Statute allows the possibility of additional program funding through grants and donations. However, most agencies or potential donors must focus on parts of ground-water assessment and can not support complete assessments. Therefore, no group has been willing to grant or donate funds directly to the Assessment Account.	Ground-Water Characterization has visited more than 6,000 wells in 7 study areas and produced 2 ground-water atlases, 25 maps, 5 open-file reports, and 1 information pamphlet. To date, the program has collected high-quality ground-water information in 18 counties. Data from the program go the Ground-Water Information Center(GWIC). Ground-Water Monitoring has established a network of almost 900 wells across Montana from which it collects quarterly water-level data. There are about 100 water-level recorders distributed through the network that provide daily data. Data from the network go the the GWIC. GWIC is the central point where those using/needng ground-water information from GWAP and many other ground-water projects can access data. Increasingly data from projects at other agencies such as the DNRC and local water-quality districts are stored and also available. GWIC currently stores information on about 234,000 sites and about 4,300 users login each month to make almost 28,000 queries.	Ground-Water Characterization: 1) Prepare Middle Yellowstone River Area Atlas No. 3 manuscript. 2) Release all Middle Yellowstone River Area Atlas maps. 3) Prepare Lolo-Bitterroot Area Atlas manuscript. 4) Release all Lolo-Bitterroot Area Atlas maps. 5) Release Clark's Fork of Yellowstone River Atlas Map 1: Basic data1) Maintain water-level monitoring network - 4 sets of hand measurements and 4 recorder trips. 2) Convene a wells subcommittee to generally revise/evaluate/fine-tune monitoring network. 3) Collect water-quality samples in Scobey area for Montana's share of the International Joint Commission monitoring of the Coronach, Saskatchewan mine-mouth power plant - prepare data for annual report. . Ground-Water Information Center: 1) Begin transfer of GWIC from Sybase Adaptive Enterprise Server to Microsoft SQL server to enhance compatibility with website and other software. 2) Continue township corner digitizing for latitude/longitude conversion coordinate data base--convert GWIC to Nad83. 3) Complete historical update of Gallatin County.	Jun-05
Assessment: 1. Function of the groundwater assessment program is consistent with: a. Use of RIT interest: 15-38-203, MCA b. Use of RIGWA funds: 15-38-102, MCA c. Purpose of groundwater program: 85-2-905, MCA 2. Not Applicable 3. Program does have measure performance goals and objectives in place 4. Program does have an extensive monitoring program in place 5. Program is currently dependent on RIT funding.						Discussion: The Ground water assessment program was established by the legislature in 1991to improve the understanding of Montana’s ground water resources. The program has established the Ground Water Information Center to provide public access to water information, including well construction data, decades of water level measurements, water quality analysis and high-level data for the 5900 wells managed by the program. The program is funded with both RIT interest and RIGWA taxes at an annual rate of \$666,000. The fund is capped in statute at this amount, making it difficult for the program to keep up with inflation, or accept public or private donations. The program will match funds out to other projects in return for data, but has not been able to bring additional funding into the program. During the 2005 session the program received excess RIT corpus dollars to assist with increased operating costs. These funds were deposited to a different fund to deal with the issue of the cap in the ground water assessment fund. This funding may not be available during the next biennium.		Options: <ul style="list-style-type: none">o Allocate additional RIT interest or RIGWA taxes by modifying RIT or RIGWA statute and <u>increase</u> the cap in the ground water assessment fund statute.o Allocate additional RIT interest or RIGWA taxes by modifying RIT or RIGWA statute and <u>eliminate</u> the cap in the ground water assessment fund statute.o Eliminate the fund cap by modifying the ground water fund statute.o Make no changes				
SUB COMMITTEE COMMENTS:						COMMITTEE MEMBER RANKING:					SCORE: 31	

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4	MSU - Northern	Not Provided	15-38-202	480,000	None	02272	2.76 Budgeted for FY06	MSU Northern - Science and water quality faculty. For FY06 \$211,334 is budgeted for salary and benefits for this FTE. The remaining \$28,666 is budgeted for FY06 debt service on laboratory renovations.	General fund/tuition	Maintain quality faculty in the science and water quality programs. Updated student laboratories.	Not Provided	Jul-05		
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none">Not ApplicableMSU Northern appropriation is <u>not</u> consistent with:<ul style="list-style-type: none">Use of RIT interest: 15-38-203, MCARenewable Resources: 85-1-604, MCAProgram does not have measurable performance goals and objectives in place.Program does not have an extensive monitoring program in place.Program is currently dependent on RIT funding.</div>							<div>Discussion: MSU Northern funding is statutorily appropriated. The funding was provided to support water quality programs at the university. Current uses include debt service on the laboratory remodel. This debt service ends in fiscal year 2006. MSU reports they are looking to update more labs in the future. Remaining funds support science and water faculty, although the type of science was not indicated. Additionally, the BS degree for water quality is on moratorium status and under review. Other education options are being considered. Statutory appropriations ensure that a certain level or source of funding is always available to support a specific activity. Guidelines in determining if a statutory appropriation is appropriate are in statute at 17-1-508, MCA. This statute recommends that all of the guidelines be met. This particular statutory appropriation does not meet all criteria. (See the statutory appropriation table.)</div>					<div>Options:<ul style="list-style-type: none">Revise statute to eliminate statutory appropriation and establish a direct allocation to MSU NorthernRevise statute and eliminate statutory appropriationMake no changes</div>	
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 11		
5	Fish, Wildlife and Parks	Not Provided	Not Provided	1.0 million	-	02022	0.00	Bull Trout/Cutthroat Trout habitat restoration	River Restoration Fund or General License Fund	See Table 3 in Future Fisheries Report to the 2005 Legislature	To continue to provide for the enhancement of Montana bull trout and cutthroat trout populations through voluntary enhancement of spawning areas and other habitats for the natural reproduction of bull trout and cutthroat trout.	Dec-05		
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none">The future fisheries program is consistent with:<ul style="list-style-type: none">Use of RIT interest: 15-38-203, MCA; but not withProgram Description: 87-1-283Not ApplicableProgram does not have measurable performance goals and objectives in place for the entire program.Program does not have a monitoring plan in placeProgram is not dependent on RIT funding. General License funds have been used for future fisheries work involving other species.</div>							<div>Discussion: This program is managed within the department’s future fisheries program. The purpose of the funding is to provide priority funding to areas where mining reclamation needs to be accomplished to improve habitat of the bull trout and the cutthroat trout. Non mineral reclamation projects to restore or improve the habitat are also completed. The department has a process by which they notify the future fisheries panel of a mineral reclamation project so that particular project receives top priority. In the course of the program, 95 projects have been approved, 60 are completed, six are under construction and five have been cancelled. Of the total, three projects have been identified as mineral reclamation. This could be due to the fact that many streams in these areas are still operating mining claims. A sampling of the projects are reviewed after completion to determine if the project had a positive impact on fish populations. This program is funded through HB 5, cash capital improvement legislation. The program is appropriated the funding which then can be spent out over a period of time. As projects are completed they are funded against the corresponding capital appropriation. It can be argued that this sort of program does not require a capital appropriation. While on-the-ground improvements are being made to the benefit of a native species, the funding is provided on a project basis as work is completed. Historically, non capital expenditure, such as a water lease have been paid for from this fund.</div>					<div>Options:<ul style="list-style-type: none">Modify the fund statute to include fund purpose and utilization.Switch from a capital program to a two-year appropriationReduce the interest appropriation through modification of the RIT statute to meet program demandMake no changes as statute sunsets in 2009.</div>	
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 13		

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6	State Library	90-15-101 through 90-15-305	Not Provided	782,872	None	02458	6.00	Administer the Natural Resource Information System (90-15-301, MCA) - a comprehensive program for the assimilation, storage and retrieval of information relating to the natural resources of Montana, and the recognized portal for GIS data in the state. NRIS includes the Natural Heritage Program (90-15-302, MCA) - the state's clearinghouse for information on the status and distribution of native animals and plants, emphasizing species of concern and high quality habitats such as wetlands, and the Water Information System (90-15-305, MCA) - a starting point for access to information relating to Montana's water resources.	General Fund	The NRIS Program has recently completed several projects that provide access to additional natural resource information and make accessing the information easier than ever. These projects provide just a sampling of the many resources that NRIS develops on an ongoing basis.	Improve data currency within the clearinghouse by increasing the frequency of data update from source agencies. Implement a data archive so that users can access previous versions of datasets. Continue to improve access to data for professionals with GIS expertise by expanding the use of web services and direct access to databases. Improve access to data for non-technical users by expanding the library of pre-formatted maps and expanding & improving web access tools. Establish centralized hub of information for watershed groups and assist them in their data management and data dissemination efforts. Work with public agencies to increase standardization in biological data collection and management, to facilitate integration and sharing of data. Integrate large volumes of recently acquired new data and systematically increase the accuracy and detail of existing data.	FY06/07
LFD COMMENTS:	Assessment: 1. Not Applicable 2. Function of NRIS within the state library is <u>not</u> consistent with: a. Use of RIT interest: 15-38-203, MCA b. Use of RIGWA funds: 15-38-102, MCA c. Purpose of reclamation and development fund: 85-2-905, MCA 3. Program does have generalized performance goals and objectives in place 4. Program does not have a measurement system in place. 5. Program is not dependent on RIT funding.							Discussion: The Natural Resource Information System (NRIS) serves as a clearinghouse for geographic information, water information and natural heritage information for the purpose of providing support to public and private entities in natural resource related issues. This program could be considered a support function of state government (and others) when tackling natural resource projects. The function is not considered consistent with RIT interest and RIGWA funding, as the system is a data support network that does not directly rectify environmental damage and improve the total environment. Given the broad range of applications of NRIS data, it could be considered as a benefit to the state as a whole. While RIT funds provide a basis for NRIS funding, it is not the sole source of funding. The program also receives federal grants and contracts out with other state agencies, federal agencies and private parties for work beyond the core NRIS functions. As in any situation, this additional funding comes with additional workload, which does not allow the expansion of core NRIS services. The program's goals include securing additional funds to establish a larger core staff that would be able to integrate special projects into the routine workload. For FY 2004, the NRIS program received \$416,419 in contract funds from state agencies and quasi-external contracts and \$194,812 in federal funds.			Options: o Amend statute to include NRIS activities as a bona fide activity o Seek alternative funding from another RIT source or General Fund	
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7	DEQ DO	Article IX Section 1	75-10-621	\$30,046 06 14,773 07 15,273	\$251,530 06 123,505 07 128,025	02070	1.74 Total .19 RIT	The DEQ attorney pool provides legal services to all programs within the Department. These services include legal advice, review and drafting of legal documents, and representation in administrative and judicial proceedings. Haz Waste CERCLA in the attorney pool represents the maintenance of effort match to PPG 106 - Clean Water Act.	General Fund or another state fund such as MPDES fees or public drinking water fees.	The accomplishments of the Legal Unit are in the widely-varied assistance provided to the programs throughout the agency in a timely and conscientious manner. Our accomplishments are not distinct from the programs we serve and therefore, significant accomplishments will be reported by the specific programs.	Continuing legal support to the programs.	Jun-07
	DEQ DO	Article IX Section 1	90-2-1102 & 90-2-1104	\$86,475 06 42,525 07 43,950	None	02458	0.54	Reclamation & development fees in the attorney pool are utilized to provide legal support for the Permitting & Compliance Division's mining programs.	General Fund or another state fee designated by the Permitting & Compliance Division.			
	DEQ DO	Article IX Section 1	90-2-1102 & 90-2-1104	\$5,209 06 2,562 07 2,647	\$26,706 06 13,135 07 13,571	02458	.20 Total .03 RIT	This portion matches the Office of Surface Mining (OSM) grant.				
LFD COMMENTS:	1. Activities of the attorney pool are consistent with: a. Use of RIT interest: 15-38-203, MCA, b. Use of RIGWA: 15-38-103, MCA, c. Hazardous Waste/CERCLA: 75-10-621, MCA, 2. Activities are not consistent with a. Reclamation and Development: 90-2-1104, MCA 3. Program does not have measurable performance goals and objectives in place. 4. Program does not have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: The attorney pool is funded with 21 sources of revenue for a total biennial budget of \$ 1.3 million. This funding matrix represents the diverse subject areas handled by the attorney pool. RIT funds provide \$121,730, which is also pledged to match \$278,236 in federal funds. Any changes to the level of RIT funding could change the amount of federal funds available to the department. However, replacing the funding with another source could keep the federal funds in tact. The attorney pool does not have a written work plan. The program states: “ <i>We are a service unit whose work is controlled by external factors. We defend cases filed against the Department. We prosecute actions as requested by the Department. We draft rules and legislation, give opinions, and review contracts as requested by the Department.</i> ” The budget for the attorney pool is funded by 21 sources of revenue, including 13 state special revenue funds, all with restrictions. In the absence of a work plan, the funding of attorney services may not be correct, staffing needs cannot be accurately measured and the legislature does not have the ability to track progress of the work unit.		Options: <ul style="list-style-type: none">○ Revise the reclamation and development statute to acknowledge legal services as a bona fide use of the funds○ Direct the department to establish a fee or increase a current fee to replace funding from the reclamation and development fund○ Direct the program to establish a work plan for the purpose of program management		
	SUB COMMITTEE COMMENTS:										COMMITTEE MEMBER RANKING:	

2. Activities are not consistent with

a. Reclamation and Development: 90-2-1104, MCA

3. Program does not have measurable performance goals and objectives in place.

4. Program does not have an extensive monitoring program in place.

5. Program is not dependent on RIT funding.

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8	DEQ PPA	Article IX Section 1	Federal Safe Drinking Water Act	06-\$33,097 07- \$34,097	06-\$145,435 07-\$145,433	02070	RIT .46 FTE Total 2.52 FTE	Wellhead Protection/Planning -The program provides technical assistance to communities in developing source water protection plans The program also implements activities pertaining to water quality in the Ground Water chapter of the Montana Water Plan. Program staff works internally within DEQ to incorporate water related pollution prevention into regulatory programs. Major objectives are to compile and analyze contaminant source inventory information from source water assessments, include a description of aquifer sensitivity in each community water system report to facilitate implementation of the impending federal Ground Water Rule and to include management options/protection measures for specific potential contaminants in each assessment report to facilitate local source water protection planning. Wellhead protection planning also requires the program to complete or review source water assessments for each new proposed PWS drinking water source. .	<i>No option provided</i>	<i>None Provided</i>	Delineate sources, direction, and flow of ground and surface waters that supply public drinking water wells and intakes; assess potential threats to these source waters; compile data; and provide results to the public. Complete approximately 450 assessments by 2007. Assist local communities develop and implement plans to protect source waters that supply public drinking water. Develop and implement the Montana Wetland Program through education, technical assistance and grants for local governments. Collaboratively develop a Comprehensive Ground Water Protection Plan with other state agencies, local governments and citizens. (Entered by LFD from DEQ website)					
	DEQ PPA	Article IX Section 1	Montana Water Quality Act MCA 75-5-701 Federal Court Decree	The RIT dollars listed as match under the Wellhead Protection/Planning are the same ones used to match these	06-\$2,433,415 07- \$1,271,382	02070	PPG 8.39 FTE	Total Maximum Daily Load -develops water quality standards and compliance criteria; monitors water quality conditions and trends, assess sources and severity of pollution problems; conducts 305(b), 303(d) reporting; develops Total Maximum Daily Loads (TMDLs) and Water Quality Restoration Plans (WQRPs) for impaired water bodies; develops non-point source and implementation strategies for developed TMDLs and subsequent WQRPs; reviews proposed legislation, rules and policy.	<i>No option provided</i>	<i>None Provided</i>	Continue to work toward completing and meeting the federal district court order to complete all TMDLs by 2012. Continue and expand the monitoring program. This includes developing a monitoring strategy plan that involves: a) Continue monitoring streams and lakes; b) Continue monitoring reference sites; c) Develop a plan to assess rivers d) Refine assessment methods and documentation. Complete the submittal and approval of 2006 Integrated Report.	6/30/2012 (TMDLs) and 6/30/07				
	DEQ PPA	Article IX Section 1	Federal Safe Drinking Water Act	The RIT dollars listed as match under the Wellhead Protection/Planning are the same ones used to match these funds.	06-\$159,253 07-\$159,253	02070	PPG 2.00 FTE	Wastewater Training & Technical Assistance-261103- Provides wastewater training & technical assistance for DEQ, METC, engineers & Montana communities for their wastewater systems. Activities include non-regulatory assistance to communities, helping them to troubleshoot problems and to outline possible solutions. Also included are comprehensive performance evaluations & operation & maintenance inspections of wastewater treatment facilities, training of wastewater treatment operators, & assistance within the department in TMDL development (establishing point source load allocations), evaluating enforcement actions, non-degradation issues and standards deviation requests.	<i>No option provided</i>	<i>None Provided</i>	Offer approximately 900 technical assistance efforts in the form of METC Training events and departmental tasks, department deviation committee decisions, and other department tasks including TMDL and enforcement coordination.	Jun-07				
LFD COMMENTS:	Assessment: 1. Wellhead protection planning functions are consistent with: a. Use of RIT interest: 15-38-203, MCA, 2. Activities are <u>not</u> consistent with a. Hazardous Waste/CERCLA: 75-10-621, MCA, 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: The commonality of these three programs is water quality. The programs do meet the intent of the use of RIT interest, but not the use of the specific fund. While it may seem appropriate to fund water quality issues with hazardous waste dollars, statute does not allow it. 75-10-621, MCA sets out how much of the hazardous waste fund can be appropriated and for what specific activities. Statute limits the appropriations to not more of one half the interest income and for the implementation of the Montana Hazardous Waste Act, implementation of Title 75 chapter 10 parts 4 and 6 and the administrative costs there of. The activities associated with the water quality act, Title 75 Chapter 5, MCA are not referenced in 75-10-621, MCA. The legislature has historically appropriated more than half of the interest flowing into the hazardous waste fund. For the 2007 biennium, interest income is projected at \$896,480 and all of it was appropriated. There have been times where the funding has not been enough, or has not been received at the correct time. This led to the adoption of statute to allow fund transfers between the orphan share fund, the environmental quality protection fund and this fund.			Options: <ul style="list-style-type: none">○ Revise statute to eliminate the reference to how much of the fund can be appropriated and include water quality activities as a bona fide purpose to utilize the fund.○ Revise interest allocation statute to increase funding to the hazardous waste fund and revise fund statute to include water quality activities as a bona fide purpose to utilize the fund.○ Increase public water supply fees (75-6-108, MCA) to replace RIT funds to assure match for federal dollars.○ Revise the wellhead protection statute (75-6-120, MCA) to accurately reflect the name of the program or direct the agency to change the name back to wellhead protection.					
	SUB COMMITTEE COMMENTS:							Current appropriations of \$67,194 are used as match or maintenance of effort towards \$4.3 million in federal dollars. Other funds participate in this match. However, the loss of RIT funds would impact the availability of federal funds. The wellhead protection program is codified under public water supply part, which provides the authority at 75-6-108, MCA to collect fees to recover department’s cost in providing services covered under the part. The public water supply fund is not structurally balanced. To fund the programs from fees would require a fee increase to cover the costs and to bring the fund into balance. Lastly, statute defines the program as wellhead protection planning, while DEQ utilizes source water protection as the name of the program in some documents. The program name needs to be consistent with statute.						COMMITTEE MEMBER RANKING:		SCORE: 25

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9	DEQ PPA	Article IX Section 1	MCA Title 75, Chapter 5 Section 311	06-\$96,638 07- \$96,682	None	02070	RIT 1.25 FTE	Local Water Quality Districts-262404- DEQ is required by statute (MCA 75-5-311) to monitor the implementation of local water quality district (LWQD) programs to ensure they are adequate to protect surface and groundwater and local programs are being implemented in a manner consistent with Title 75, chapter 5. This funding is used to provide oversight of LWQDs to ensure compliance with legislative intent, support LWQD activities, and provide technical assistance (TA) on water issues within the four districts in Montana. TA includes DEQ staff time used to participate in groundwater assessment projects in three of the four existing districts, provision of septic and well owner O&M workshops; support to NRIS to ensure on-line spatial data availability.	RIT portion could be replaced by Public Water Supply Fees (would probably require a fee increase) or General Fund	The Source Water Protection Program protected community surface and groundwater supplies with 2,002 assessments completed serving a population of 854,000 people.	Update 100 plus of previous assessments; Assist with approximately 100 Public Water Supply (PWS) reports identifying new well locations, meet with counties on potential for forming local water quality districted, review and approve approximately 75 PWS chemical monitoring waiver applications; Inventory updates on a five-year basis, moving to implementation of the current assessments at the local level.	Jun-07
LFD COMMENTS:	Assessment: 1. LWQD oversight functions are consistent with: a. Use of RIT interest: 15-38-203, MCA 2. Activities are <u>not</u> consistent with a. Hazardous Waste/CERCLA: 75-10-621, MCA, 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: Oversight of local water quality districts does meet the intent of the use of RIT interest, but not the use of the hazardous waste fund. See information in wellhead planning and protection regarding the statutory limitations on the hazardous waste fund. LWQDs are funded through a fee levied on water users within the water quality district as established by the LWQD commissioners. This fee is collected by the department of revenue and returned to the districts. The oversight of the program is funded with hazardous waste dollars. The state has a compelling interest in the work being completed by the LWQDs. This would include the implementation of the clean water act and local issues of statewide interest. A portion of the fee could be retained to assist to fund the oversight of the program. The public water supply fee is not a viable option for this program unless a change is made to statute. Currently, the PWS fee applies only to Title 75, Chapter 6, part 1 and LWQD are codified at 75-5-311, MCA.0			Options: <ul style="list-style-type: none">○ Revise the hazardous waste statute to eliminate the reference to how much can be appropriated and include LWQD oversight as a bona fide function.○ Revise the interest allocation to the hazardous waste fund and include LWQD oversight as a bona fide function.○ Modify LWQD statutes to retain a portion of fees to cover a portion of the oversight function.○ Modify the PWS fee statute to increase fee levels and include LWQD oversight as a bona fide function	
	SUB COMMITTEE COMMENTS:								COMMITTEE MEMBER RANKING:		SCORE: 26	
10	DEQ PPA	Article IX Section 1	<i>Not Provided</i>	06-\$4,659 07-\$5,000	None	02070	RIT .09 FTE	Watershed Management- Funding for division fiscal management to complete budgetary work on watershed programs.	Other federal grants or General Fund.	<i>No option provided</i>	<i>None provided</i>	
LFD COMMENTS:	Assessment: 1. Not Applicable 2. Fiscal services for watershed management are not consistent with: a. Use of RIT interest: 15-38-203, MCA, b. Hazardous Waste/CERCLA: 75-10-621, MCA 3. Program does not have measurable performance goals and objectives in place. 4. Program does not have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: Watershed Management – Fiscal Support does not meet the intent of the use of RIT interest, or the use of the hazardous waste fund. See information in wellhead planning and protection regarding the statutory limitations on the hazardous waste fund. This is an administrative cost in relation to the management of the watershed program. Programmatic costs to improve watersheds would meet the intent of the RIT statute, administrative costs as part of a cost allocation process probably would not.			Options: <ul style="list-style-type: none">○ Determine legislative policy for the use of RIT funds strictly for administration costs of programs that are not funded with RIT dollars.○ Direct the department to seek funding from another source.	
	SUB COMMITTEE COMMENTS:								COMMITTEE MEMBER RANKING:		SCORE: 15	

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
11	DEQ Enforcement	Article IX Section 1 Section 2	Title 82, Chapter 4, part 2	FY06 - \$4,908: FY07 - \$5,083	FY06 - \$18,387: FY07 - \$19,020	02458	RIT - .067: OSM Grant plus RIT - .17	The Enforcement Division responds to mining-related citizen complaints and processes formal enforcement cases.	General Fund or fees generated by other divisions; however, loss of RIT funds would worsen an anticipated shortfall in funding.	In Fiscal Year 2005, the OSM Grant and associated RIT match was used to resolve 14 mining-related complaints, and the development and subsequent compliance follow-up of 17 Strip and Underground Mine formal enforcement cases.	Ensure that the public and the regulated community maintain compliance with Montana laws and regulations through effective enforcement.	06/30/07
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none">1. Enforcement functions are consistent with:<ul style="list-style-type: none">a. Use of RIGWA: 15-38-103, MCA2. Activities are <u>not</u> consistent with:<ul style="list-style-type: none">a. Use of RIT interest: 15-38-203, MCA,b. Reclamation &Development, 85-2-905, MCA3. Program does have measurable performance goals and objectives in place.4. Program does have an extensive monitoring program in place.5. Program is not dependent on RIT funding.</div>							<div>Discussion: The division receives general fund, various fees, and federal funds for enforcement efforts. RIT funding in the Enforcement division is used to monitor the mining industry and serves as a match to the Office of Surface Mining (OSM) grant. All fees and penalties paid under the strip and underground mining act are deposited to the general fund. In addition, most administrative, civil and criminal penalties levied by the division on other industries are also deposited to the general fund. The division receives more general fund financing than is recovered by the department. Reductions in funding will aggravate current budgetary constraints as an employee upgrade was not captured in the snapshot and is therefore not in the personal services base. The agency takes this risk when adjusting the pay of employees. The division must also contribute to vacancy savings.</div>	<div>Options:<ul style="list-style-type: none">o Revise 82-4-123, MCA to increase strip and underground mining permit fees to replace RIT funds.o Revise RIGWA statute and reclamation and development statute to include enforcement actions as a bona fide useo Direct DEQ to seek additional general fund to replace RIT fundso Determine legislative policy regarding the implementation of fees for mining activities that are commensurate with costs</div>			
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 20
12	DEQ REMED	Article IX Section 1 Section 2	Title 75 Chapter 10	06- \$1,114,466 07- \$1,139,833	None	02162	Total 10.31	EQPF - This program utilizes the fund to identify, investigate, negotiate and prosecute individuals/entities to achieve remedial action or recover costs and damages. Provides funding for the CECRA (comprehensive environmental cleanup and responsibility act) otherwise known as the state superfund program. The department is authorized to expend amounts from the fund necessary to carry out the purposes of this part (75-10-704 MCA)	Other RIT Monies General Fund	Listed a total of 288 sites on Montana's CECRA Priority List since inception of the program; and issued 'no further action' status to 56 sites. Currently addressing 29 of the higher priority sites by requiring, reviewing, and approving remedial investigations, feasibility studies, and cleanup actions. Directed multiple interim cleanup actions to facilitate quick reductions in risks to human health and the environment. Recovered approximately \$6.3 M in project oversight costs from potentially liable persons. Filed 3 court actions to compel potentially liable persons to complete necessary work and repay project oversight costs. Oversaw completion of 24 voluntary cleanups through the Voluntary Cleanup and Recovery Act.	Protect human health and the environment at CECRA sites. Continually prioritize listed and potential new sites to ensure limited program resources are directed toward sites with the highest risks to human health and the environment. Complete additional investigation and feasibility studies at KPT/Reliance and 6 other sites complete at least on Record of Decision.	Jun-07
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none">1. EQPF functions are consistent with:<ul style="list-style-type: none">a. Use of RIT interest: 15-38-203, MCAb. EQPF: 75-10-704, MCA2. Not Applicable3. Program does not have measurable performance goals and objectives in place.4. Program does not have an extensive monitoring program in place.5. Program is dependent on RIT funding.</div>							<div>Discussion: The EQPF receives revenue from RIT interest, state superfund cost recovery and miscellaneous receipts, including transfers from the orphan share fund. The cost recovery portion was designed to provide a revolving fund to provide an on-going source of revenue for the state superfund program. Since this revenue is not collected on a routine basis, the fund requires stable financing to complete required state superfund activities. The fund statute, 75-10-704, MCA provides access to additional funds when revenue is not available. The department can apply for a grant from the environmental contingency account or transfer funds from the orphan share fund. If cash is not an issue, the department can seek a budget amendment to spend it, regardless of what was appropriated by the legislature. This is in conflict with the budget amendment law (17-7-402, MCA).</div>	<div>Options:<ul style="list-style-type: none">o Address revenue streams by increasing the amount of RIT interest provided to the fund, or direct superfund recovery to the general fund and provide a general fund appropriationo Eliminate the reference in 75-10-704, MCA to obtaining a budget amendment or include the fund as an exemption in the budget amendment law at 17-7-402, MCAo Establish a budget that is based on revenue estimates that do not include a transfer from the orphan share and eliminate statute allowing the transfer to occuro Clarify access to the environmental contingency account by adding guidelines to statuteo Divert RIGWA funds from the orphan share directly to the EQPF and eliminate the statute allowing transfers to occur</div>			
SUB COMMITTEE COMMENTS:												SCORE: 28

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
13	DEQ REMEDIATION	Article IX Section 1 Section 2	Title 75 Chapter 10	06-\$24,598 07- \$25,630	06-\$251,171 07-\$230,931	02070	RIT .23 FTE Total 9.11 FTE	Hazardous waste CERCLA - Remediation Division uses this fund for state participation in remedial action under Section 104 of CERCLA (federal superfund), and for state costs for maintenance of sites for which remedial action has been completed.	General Fund	The US EPA uses CERCLA authority to conduct response actions at numerous sites in Montana including 14 sites on the National Priority List. EPA, in cooperation and consultation with the state, has issued 18 Records of Decision requiring response actions. Through this participation the state has been able to extensively influence EPA's determinations.	The goal of superfund participation is to protect public health, welfare, and the environment of Montana from unacceptable risks to releases of hazardous substances. EPA, in consultation with the state, will issue Records of Decision at four more Montana sites within the next year.	Jun-07
LFD COMMENTS:		Assessment: 1. State participation in the federal Superfund program is consistent with: a. Use of RIT interest: 15-38-203, MCA, b. Hazardous Waste/CERCLA: 75-10-621, MCA 2. Not applicable 3. Program does not have measurable performance goals and objectives in place. 4. Program does not have an extensive monitoring program in place. 5. Program is dependent on RIT funding						Discussion: These funds provide match for the Superfund Core grant. The purpose of the grant is to conduct federal superfund activities that are not assignable to a specific site, but support a site-specific response program. This includes oversight of completed site maintenance, participation in the record of decision process and general administrative costs. The funding source and activities are aligned. The hazardous waste /CERCLA fund has received a transfer from the orphan share to maintain cash flow in FY 2004 and FY 2005. While this program is consistent with fund utilization, others receiving hazardous waste/CERCLA funding are not.				
		SUB COMMITTEE COMMENTS:									COMMITTEE MEMBER RANKING:	SCORE: 26

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target		
		Constitution	Statute								Goals	Date	
14	DEQ REMEDIATION	Article IX Section 1 Section 2	Title 75 Chapter 2 Chapter 10	06- \$2,550,446 07- \$1,051,144	None	02472	Total 0.51	Orphan Share - is used in Remediation to reimburse potentially liable persons for the costs of cleanup that could be attributable to an insolvent, bankrupt or otherwise defunct person. The fund also defends the orphan share during the allocation process. The orphan share account was established in 17-2-102 MCA is available to the department by appropriations and except as provided in subsections (9) through (11), must be used to reimburse remedial action costs claimed pursuant to 75-10-742 through 75-10-751 and to pay costs incurred by the department in defending the orphan share.	*Hold potentially liable parties jointly and severable liable and eliminate funding *Could find another funding source	Reimbursed \$1,466,329.92 for Corbin Flats. Completed allocation process and risk assessment is in progress for S& W Sawmill. Petition filed and majority of cleanup completed for CMC-Bozeman site.	Complete cleanup at S&W Sawmill which may range from \$20 to \$30 million and reimburse orphan share. Complete allocation and cleanup at CMC-Bozeman and reimburse orphan share which likely will range up to \$2 million.	Jun-07	
LFD COMMENTS:	<div>Assessment:<div>1. The Orphan Share program is consistent with:<div>a. Use of RIGWA: 15-38-103, MCA, b. Orphan Share: 75-10-743, MCA</div></div>2. Not Applicable</div> <div>3. Program does have measurable performance goals and objectives in place.</div> <div>4. Program does have an extensive monitoring program in place.</div> <div>5. Program is not dependent on RIT funding.</div>							<div>Discussion:<div>The orphan share fund was established in the 1997 legislative session to implement the controlled allocation of liability. Seventy potential sites were identified. Thirty-nine of those sites were used to estimate liability to the fund. Costs per site were estimated at that time between \$8 and \$22 million. According to the fiscal note, the program expected to clean up 18 of the 39 sites by 2002 at the cost of \$9 to \$11 million and by 2007 an additional 8 sites for a cost of \$16 to \$18 million. Program accomplishments have not met these goals. (See accomplishments). Given these estimates were in 1997 dollars, the unfunded liability of sites with orphan share has grown.</div><div>The fund has a growing fund balance due to the lack of reimbursement for orphan share activities, and an increase in oil and gas revenues to the fund. During the 2005 session, the legislature appropriated \$1.25 million to revisit the remedial action plans for KPT/Reliance site and approved a \$1.2 million annual transfer from the fund to the Zortman – Landusky perpetual water treatment trust. Both actions are codified in statute; however, it was a diversion from the original purpose of the orphan share. The fund is also used to supplement the EQPF and the hazardous waste/CERCLA funds.</div><div>The legislature should determine the priority for this program. Since the fund is healthy, if priorities change, cash may be made available for other activities.</div></div>			<div>Options:<div><div>o Refer the program to Legislative Audit Division for a performance audit, request EQC review the program in greater detail or request a plan from the agency to remedy the situation. (Or a combination there of)</div><div>o Redirect metal mines taxes, RIGWA or oil and gas taxes from the orphan share to the hazardous waste and EQPF funds and eliminate the ability to transfer from statute.</div><div>o Establish legislative policy for the remediation of sites where an economically defunct party is partly or wholly responsible.</div></div></div>		

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
15	DEQ PCD	Article IX Section 1	Title 75 Chapter 10	06-\$206,365 07- \$215,716	06-\$339,035 07-\$353,604	02070	RIT 3.05 FTE Total 9.24 FTE	Hazardous Waste -- This program issues operating, post-closure and corrective action permits for hazardous waste facilities, regulates transporters, generators and recyclers of hazardous waste as well as educating, assisting the regulated community in achieving water reduction and compliance with regulations. Use of this fund is specifically noted for this program in 75-10-621 (3)(a)(i).	New Fees, General Fund	Ensured compliance with hazardous waste regulations at approximately 450 handler locations and at 11 permitted facilities annually. The department received \$1.8 million in restitution from United States V. Rhodia. The court directed that the funds be used in implementing the Hazardous Waste Program. This money is currently being used in lieu of reduced federal and RIT funds.	Maintain compliance with hazardous waste regulations at the handler locations and permitted facilities annually. Provide education and technical assistance to handlers and permitted facilities.	Jun-07
LFD COMMENTS:	Assessment: 1. Hazardous waste management program functions are consistent with: a. Use of RIT interest: 15-38-203, MCA b. Hazardous Waste/CERCLA: 75-10-621, MCA 2. Not Applicable 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.						Discussion: The hazardous waste law at 75-10-621.MCA allows for the fund to be utilized to implement the Montana Hazardous Waste Act, (Title 75, chapter 10, part 4). Within the hazardous waste act is the statute (75-10-434, MCA) providing the ability to collect fees for permitting activities and those fees to be utilized by the department for the administration of the hazardous waste management program. Unlike other fees, this fee is not required to cover the cost of the program. The average amount of fees collected from FY 2000 through FY 2005 is \$26,200. Both sources are appropriate funding for the program.				Options: o Direct the deposit of hazardous waste management fees into the hazardous waste/CERCLA account, eliminate the hazardous waste fees state special revenue account and appropriate all funding from the hazardous waste/CERCLA fund	
	SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:
16	DEQ PCD	Article IX Section 1	Title 75 Chapter 11	06-\$66,459 07- \$68,477	06-\$199,179 07-\$205,293	02070	RIT 1.88 FTE Total 4.88 FTE	Underground Storage Tank (UST) grant provides a required match to the EPA/PPG. This is the tank leak prevention component of the Tank Program. Activities include compliance inspections. Use of this fund is specifically noted for this program in 75-10-621 (3)(a)(i).	Increase existing fees (BER), General Fund	Worked with underground storage tank owners and operators in obtaining permits for work on their tank systems. Managed an inspection program, licensed UST contractors and inspectors, and monitored compliance. Approximately 250 new tank installation/closure permits, 725 operating permits, and 800 compliance inspections are processed annually	Prevention and early detection of leaks to prevent groundwater contamination.	Jun-07
LFD COMMENTS:	Assessment: 1. Underground storage tank program functions are consistent with: a. Use of RIT interest: 15-38-203, MCA b. Hazardous Waste/CERCLA: 75-10-621, MCA 2. Not Applicable 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.						Discussion: The program permits owners and operators of UST, licenses UST contractors and inspectors and monitors compliance. The program has the authority to collect fees for the services they provide. Per statute, 75-11-227, license fees are for the administration of the program, but the statute is silent regarding the covering of program costs. The same is true for 75-11-526, MCA in regards to permitting fees. The RIT appropriation supplements the fees that have been collected. The appropriation from the hazardous waste/CERCLA fund is utilized for match to the EPA performance partnership grant. These funds would need to be replaced with another source, or federal funds would be forgone.				Options: o Revise statute to require fees that cover costs of the underground storage tank program and eliminate appropriation from the hazardous waste/CERCLA fund o Direct fees to the hazardous waste/CERCLA fund and appropriate all program costs from this fund.	
	SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
17	DEQ PCD	Article IX Section 1	Title 75 Chapter 5	06-\$15,212 07-\$15,827	06-\$333,713 07-\$324,106	02070	RIT .23 FTE Total 4.63 FTE	Water Pollution Control 106 -- provides a maintenance of effort match to the EPA Performance Partnership Grant (PPG) for surface water permitting, ground water permitting, and nondegredation reviews.	Increase existing fees (BER), General Fund	Regulated water discharges to state waters. The entire program conducted approximately 800 permit application reviews, conducted nondegredation reviews, inspections, and responded to complaint and enforcement activity.	Maintain a program that continues to conduct reviews, inspections, and quick responses to complaints that has proven effective in maintaining safe, clean waterways in Montana.	Jun-07
LFD COMMENTS:	Assessment: 1. Water pollution control program functions are consistent with: a. Use of RIT interest: 15-38-203, MCA 2. Activities are <u>not</u> consistent with a. Hazardous Waste/CERCLA: 75-10-621, MCA 3. Program does not have measurable performance goals and objectives in place. 4. Program does not have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: While it may seem appropriate to fund water pollution control activities with hazardous waste dollars, statute does not allow it. 75-10-621, MCA sets out how much of the hazardous waste fund can be appropriated and for what specific activities. Statute limits the appropriations to not more of one half the interest income and for the implementation of the Montana Hazardous Waste Act, implementation of Title 75 chapter 10 parts 4 and 6 and the administrative costs there of. The activities associated with the water quality act, Title 75 Chapter 5, MCA, and are not referenced in 75-10-621. The issuance of Montana pollutant discharge elimination system permits (MPDES) is done on a fee basis. 75-5-516, MCA directs the Board of Environmental Review to establish fees sufficient to cover the board's and department's cost in implementing the permitting program. The MPDES fund has a growing fund balance, as revenues have exceed fund expenditures since FY 2002. The balance as of November 16 th was \$1.5 million.	Options: <ul style="list-style-type: none">○ Revise hazardous waste/CERCLA fund statute regarding how much of the fund can be appropriated and to include water pollution control as a bona fide use of the fund○ Replace the appropriation from hazardous waste/CERCLA with funds from the MPDES fund			
											COMMITTEE MEMBER RANKING:	
SUB COMMITTEE COMMENTS:												
18	DEQ PCD	Article IX Section 1	Title 75 Chapter 6	06-\$138,244 07-\$143,518	06-\$1,101,447 07-\$1,135,997	02070	RIT 2.16 FTE Total 23.96 FTE	Public Water Supply -- This program provides technical review of water and wastewater system designs, operation and maintenance inspections, establishes and monitors compliance with sampling requirements, and provides education and technical assistance to public water supply providers.	Increase existing fees (Statutory), General Fund	Ensured that minimum state and federal drinking water quality standards were met through inspections, sampling analysis, and treatment of more than 2,000 water systems serving the public in Montana. Reviewed and approved engineering plans for improvements to public water and wastewater systems. Provided extensive technical assistance to the regulated public water supply systems.	Ensure the safety of public drinking water supplies for all citizens and visitors in Montana.	Jun-07
LFD COMMENTS:	Assessment: 1. Public water supply program functions are consistent with: a. Use of RIT interest: 15-38-203, MCA 2. Activities are <u>not</u> consistent with: a. Hazardous Waste/CERCLA: 75-10-621, MCA 3. Program does not have measurable performance goals and objectives in place. 4. Program does not have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: While it may seem appropriate to fund water pollution control activities with hazardous waste dollars, statute does not allow it. 75-10-621, MCA sets out how much of the hazardous waste fund can be appropriated and for what specific activities. Statute limits the appropriations to not more of one half the interested income and for the implementation of the Montana Hazardous Waste Act, implementation of Title 75 chapter 10 parts 4 and 6 and the administrative costs there of. The activities associated with public water supply are at Title 75 Chapter 6, MCA and not referenced in 75-10-621, MCA. The Board of Environmental Review (BER) has the authority to prescribe fees to recover department costs. The fee was established in 1991 at \$2.25 per service connection and lowered to \$2.00 per connection beginning FY 1994. The fee has remained the same since then. The fee is codified at 75-6-108, MCA, with disposition codified at 75-6-115, MCA. Funds are limited to the implementation of title 75, Chapter 6, part 1. The public water supply fund is not structurally balanced. To fund the program from fees would require a fee increase to cover the costs and to bring the fund into balance.	Options: <ul style="list-style-type: none">○ Revise hazardous waste/CERCLA fund statute regarding how much of the fund can be appropriated and to include public water supply activities as a bona fide use of the fund○ Increase the public water supply fee by revising 75-6-108, MCA and replace the appropriation from hazardous waste/CERCLA with the public water supply fee			
											COMMITTEE MEMBER RANKING:	
SUB COMMITTEE COMMENTS:												

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target		
		Constitution	Statute								Goals	Date	
19	DEQ PCD	Article IX Section 1 Section 2	Title 82 Chapter 4 Sections 1 and 2	06-\$290,694 07-\$249,232	06-\$1,055,350 07-\$1,096,084	02458	RIT 3.2 FTE Total 16.0 FTE	Coal and Uranium Mining -- This program administers the permitting and compliance requirements for coal mining and uranium activities, including inspection, monitoring and technical assistance for operating permits and prospecting activities. Issuance of new and amended permits is conditional upon the review and approval of a reclamation plan and the receipt of the appropriate reclamation bonds. The program is responsible for inspecting and approving reclamation activities prior to a bond release. This is federal program delegated to the State of Montana by the Department of Interior Office of Surface Mining and this RIT fund provides the required match.	Divert existing Coal Severance Tax, Increase Coal Taxes, General Fund	This section works to ensure adequate protection of more than 130,000 acres of mined land in Montana. The section's significant activities include the review and approval of: 1) mine and reclamation plans (including preparation of environmental reviews and written findings on major permit decisions); 2) the location and/or design of facilities including roads, railroad loops, mineral processing and loadout, conveyors, sewage treatment, material stockpiles, ponds, dams, and drainages; and 3) the adequacy of reclamation bonds (currently totaling approximately \$350,000,000). Over the last two biennia, this section has issued over 700 permits, conducted over 3,600 inspections, completed over 750 environmental assessments, and reported a number of violations. Further, since 2003, bonds totaling \$12 million have been released and \$27 million in bond reductions have been approved. This represents nearly \$40 million of reclamation work that has been completed on Montana mines as a result of DEQ's oversight work.	Continue inspections, environmental review activities, and establishment of adequate bonding. Each of these activities contributes to significant reductions in the amount of degraded mine lands in Montana.	Jun-07	
LFD COMMENTS:													
	<div>1. Coal & uranium permitting functions are consistent with:<div>a. Use of RIT interest: 15-38-203, MCA, b. Use of RIGWA: 15-38-103, MCA</div></div> <div>2. Activities are not consistent with:<div>a. Reclamation and Development: 90-2-1104, MCA</div></div> <div>3. Program does have measurable performance goals and objectives in place.</div> <div>4. Program does have an extensive monitoring program in place.</div> <div>5. Program is not dependent on RIT funding.</div>							<div>Discussion: The reclamation and development fund receives revenues from the metalliferous mine tax, the oil and gas tax and the RIGWA. The coal industry is responsible for 70% percent of the RIGWA income. The industry supports the fund, but the permitting function of the industry is not considered a bona fide use.</div>					
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:		SCORE: 25

11/16/2005

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target		
		Constitution	Statute								Goals	Date	
21	DEQ PCD	Article IX Section 1 Section 2	Title 82 Chapter 4 Sections 4	06-\$460,543 07-\$462,528	None	02458	RIT 5.2 FTE Total 5.75 FTE	Open Cut Mining -- This program administers permitting and compliance requirements for open cut mine activities, including inspection, monitoring and technical assistance for open cut licenses. Issuance of new and amended permits is conditional upon the review and approval of a reclamation plan and the receipt of the appropriate reclamation bonds. The program is responsible for inspecting and approving reclamation activities prior to a bond release. The program also receives state general funds.	New Fees, General Fund	This program currently has 1,921 mine sites under permit, the total land area of which is over 44,500 acres. In the last biennium, 265 mine permits and permit amendments were approved. Also in this period, 247 partial and full reclamation bond releases were granted; they involved both release for reclamation liability only (no monetary release) or actual monetary release, the latter of which totaled over \$4.6 million. These figures are representative of the amount of reclamation work that is done each year on sand, gravel, bentonite, scoria, clay, peat, and soil mines each year. Further, the program approves, inspects, and monitors approximately 140 new mining operations each year.	Continue inspections, environmental review activities, and establishment of adequate bonding. Each of these activities contributes to significant reductions in the amount of degradated mine lands in Montana.	Jun-07	
LFD COMMENTS:	Assessment: 1. Opencut mining functions are consistent with: a. Use of RIT interest: 15-38-203, MCA b. Use of RIGWA: 15-38-103, MCA 2. Activities are <u>not</u> consistent with a. Reclamation and Development: 90-2-1104, MCA 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is dependent on RIT funding.							Discussion: The department collects nominal fees and penalties associated with opencut mining. This income is deposited to the environmental rehabilitation and response account (ERRA). Created during the 2001 legislative session, the fund is designed to remediate lands affected by mining or hazardous waste when costs cannot be recovered from a legally responsible party. The fund also receives unclaimed excess reclamation bond money. The program also receives a general fund appropriation. Representative Dave Gallik carried HB 361 in the 2005 legislative to implement annual permit fees for opencut operations. The fees were graduated based on the permitted size of the operation and directed to be used to implement the Title 82, Chapter 4, part 4, the Opencut Mining Act. The bill died in process. This would have allowed the agency to hire additional staff to process and return reclamation bonds in a timely manner.	Options: <ul style="list-style-type: none">o Propose legislation to the 2007 session to establish fees to cover costs of the opencut programo Propose legislation to the 2007 session to establish fees to replace the RIT funding received by the opencut program.o Establish a fund to cover non-related grant and loan costs by combining the reclamation and development and renewable resource programs and depositing the excess funds into a new fund.o Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statute				
SUB CO												SCORE: 19	
22	DEQ PCD	Article IX Section 1 Section 2		06-\$42,128 07- \$42,220	None	02458	funds operations only	Permitting & Compliance Administration -- Provides funding for the operations and fixed costs for the division's administrative staff. Salary costs are distributed across the entire division.	General Fund	Administration has provided leadership for programs that work to prevent environmental damage.	Continue to ensure that mining operations are properly inspected and permitted in an effort to minimize environmental impacts from the activities of extractive industry's.	Jun-07	
LFD COMMENTS:	Assessment: 1. Administration functions are consistent with: a. Use of RIT interest: 15-38-203, MCA, b. Use of RIGWA: 15-38-103, MCA 2. Activities are <u>not</u> consistent with a. Reclamation and Development: 90-2-1104, MCA 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is not dependent on RIT funding.							Discussion: The fixed and operating cost of the division's administrative staff is split between the reclamation and development fund (87 percent) and general fund (13 percent). Unlike salaries, these costs are not covered by all sources of income to the division, or a cost allocation approach. The Supreme Court ruled in 1989 that RIT interest could be used for administrative costs. However, the reclamation and development fund statute does not identify this function as a bona fide use.	Options: <ul style="list-style-type: none">o Establish a fund to cover non-related grant and loan costs by combining the reclamation and development and renewable resource programs and depositing the excess funds into a new fund.o Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statuteo Revise the reclamation and development statute to include administrative costs of the mining programs				
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 21	

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
23	DEQ PCD	Article IX Section 1 Section 2		NRIS 06-\$11,175 07-\$11,175		02458	Funds NRIS operations only	Permitting & Compliance Administration -- provides funding for the entire division's access to natural resource data at the State Library (NRIS).	General Fund	Through the use of this funding, the division has worked with NRIS to develop specialized environmental databases that are used by both state and non-state entities.	Provide input to NRIS staff to ensure accurate, useable environmental data is available for program decision makers.	Jun-07
LFD COMMENTS:	<div><div>Assessment:<ol style="list-style-type: none">Administration functions are consistent with:<ol style="list-style-type: none">Use of RIT interest: 15-38-203, MCAUse of RIGWA: 15-38-103, MCAActivities are <u>not</u> consistent with:<ol style="list-style-type: none">Reclamation and Development: 90-2-1104, MCAProgram does have measurable performance goals and objectives in place.Program does have an extensive monitoring program in place.Program is not dependent on RIT funding.</div><div>Discussion:<p>This is the annual payment to the Library for core services of NRIS. The NRIS system is used department wide to access natural resource data for the department’s work. This is not a bona fide use of reclamation and development funds.</p></div><div>Options:<ul style="list-style-type: none">Establish a fund to cover non-related grant and loan costs by combining the reclamation and development and renewable resource programs and depositing the excess funds into a new fund.Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statuteIncrease appropriation of RIT funds to the library and eliminate this appropriation</div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 21
24	DNRC CARRD	Art. IX, Sec. 1 & 2	15-38-101; 15-38-202, 85-1-601 et seq. MCA	5,369,777	48,883,683	02272	4.00	Renewable Resource Grants (RRG) and the administration of renewable resource grants and loans.	general fund; coal tax; other special revenue	Indemnifies Montana citizens by investing in renewable resource project and activities. CARDD is currently managing 156 active grant projects for \$8,800,432. The grant program provides important funding for local governments and state agencies to construct renewable resource projects and conduct investigations and other activities. Applications are due May 15, 2006; recommendation to the Governor's Office September 2006.	Contract with all grantees before the end of the biennium; promote the program state wide to encourage the best grant and loan applications possible; conduct a professional evaluation of all new grants for recommendations to the Governor and the '07 Legislature; manage all active grant agreements with the interest of the state and the project sponsor in mind to improve Montana's environment.	
LFD COMMENTS:	<div><div>Assessment:<ol style="list-style-type: none">Function of the RRGL program is consistent with:<ol style="list-style-type: none">Use of RIT interest: 15-38-203, MCARenewable Resource: 85-1-604, MCANot applicableProgram does have measurable performance goals and objectives in place.Program does have an extensive monitoring program in place.Program is currently dependent on RIT funding.</div><div>Discussion:<p>The RRG program has been operational since 1987. The program provides grants up to \$100,000 and low interest loans for qualifying projects. Requests are evaluated by program staff, prioritized by the Governor’s office and approved by the legislature via HB 6. Grants approved in the 2005 legislative session will be paid out over time as the project occurs. The program accrues grant balances between biennium to assure enough funding is available. This process also identifies grants that will not come to fruition and releases the accrued funding. This allows for additional projects to be funded or spent on other activities.</p><p>Projects funded under this program typically exceed \$100,000. The amount of match reported represents other sources of funding secured by grantees to complete their projects. This could include other state grant or loan programs, local government funds or federal funds. The amount allocated to DNRC in grants does not directly translate to a specific amount of match. This number is dependent on the type of projects, who the grantees are and their ability to secure additional funds.</p><p>Administration costs of the grant and loan program are appropriated through HB 2. Due to the similarity of the renewable resources grant and loan program to the reclamation and development grant program, the administrative costs are funded based on cash availability. If the reclamation and development fund (02458) has a healthier balance, admin costs for both programs are funded from this fund. Since other agencies and programs are also funded by both the renewable resources fund (02272) and the reclamation and development fund (02458), a considerable amount of coordination is needed to maintain cash flow.</p></div><div>Options:<ul style="list-style-type: none">Change RIT, RIGWA and fund specific statutes to combine the RRGLP and RDGP programs to streamline program management and the appropriation process.Revise fund specific statutes to establish policy regarding the amount of administration costs and the funding for such costs.</div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 31

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target			
		Constitution	Statute								Goals	Date		
25	DNRC CARRD	Art. IX, Sec. 1 & 2	15-36-331, 15-38-101, 15-38-106, 15-38-202, 90-2-1101 et seq., MCA	5,504,728	22,950,703	02458	4.00	Reclamation and Development Grants and the administration of the grants.	general fund; coal tax; other special revenue	See Page 1: CARDD is currently managing 36 active grant projects with contracts for over \$8,279,170. The grant program provides funding for local governments and state agencies to reclaim damage caused by mineral activities and to and fund projects addressing a crucial state need. Applications are due May 15, 2006; recommendations to the Governor's Office September 2006.	Contract with all grantees before the end of the biennium; promote the program state wide to encourage the best grant and loan applications possible; conduct a professional evaluation of all new grants for recommendations to the Governor and the '07 Legislature; manage all active grants to assure the reclamation of Montana lands and to meet crucial state needs as identified by the Governor and the Legislature.			
LFD COMMENTS:	Assessment: 1. Function of the RDGP is consistent with: a. Use of RIT interest: 15-38-203, MCA b. Use of RIGWA: 15-38-101, MCA c. Reclamation and Development: 90-2-1104, MCA 2. Not Applicable 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is currently dependent on RIT funding.						Discussion: The program provides grants up to \$300,000 for qualifying projects. Requests are evaluated by program staff, prioritized by the Governor's office and approved by the legislature via HB 7. Grants approved in the 2005 legislative session will be paid out over time as the project occurs. The program accrues grant balances between biennium to assure enough funding is available. This process also identifies grants that will not come to fruition and releases the accrued funding. This allows for additional projects to be funded or spent on other activities. Projects funded under this program typically exceed \$100,000. The amount of match reported represents other sources of funding secured by grantees to complete their projects. This could include other state grant or loan programs, local government funds or federal funds. The amount allocated to DNRC in grants does not directly translate to a specific amount of match. This number is dependent on the type of projects, who the grantees are and their ability to secure additional funds. Priority grant requests are outlined in 90-2-1113 which provides up to \$600,000 to the board of oil and gas conservation for the plugging of abandoned wells and up to \$800,000 for abandoned mine reclamation. These funds could be directly appropriated through HB 2 to the agencies for this type of work. Some would argue that establishing this funding through HB 7 elevates the importance and legislative oversight of the type of work that needs to occur. Administration costs of the grant and loan program are appropriated through HB 2. (See comments under the RRGL program) Based on cash flow issues, funding for administration of the RDGP program may not come from the reclamation and development fund.				Options: <ul style="list-style-type: none">○ Change RIT, RIGWA and fund specific statutes to combine the RDGP and RRGL programs to streamline program management and the appropriation process.○ Revise fund specific statutes to establish legislative intent regarding the amount of administration costs and the funding for such costs.○ Change fund statute and directly allocate funding to the MBOG and the Department of environmental quality, instead of utilizing a priority grant funding policy.			
	SUB COMMITTEE COMMENTS:										COMMITTEE MEMBER RANKING:		SCORE: 31	

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target						
		Constitution	Statute								Goals	Date					
26	DNRC MBOG	Art. IX, Sec. 1 & 2	82-11-161	50,000	600,000	02010	0.00	The damage mitigation account receives funds from bond forfeitures ordered by the Board of Oil and Gas, from RIT interest allocations, and from interest earned on the account balance.	general fund; coal tax; oil and gas account; other special revenue	The Board of Oil and Gas Conservation has the responsibility to properly plug and abandon oil and gas wells when the original owner or operator is non-viable. The damage mitigation account also addresses emergency actions needed to protect the public.	Plug and abandon priority oil and gas wells and to address emergency situations and prevent environmental damage.						
LFD COMMENTS:	Assessment: 1. Function for the MBOG damage mitigation program is consistent with: a. Use of RIT interest: 15-38-203, MCA b. Oil and Gas Damage Mitigation Account 82-11-161, MCA 2. Not Applicable 3. Program does have measurable performance goals and objectives in place. 4. Program does have a monitoring program in place. 5. Program is dependent on RIT funding when a responsible party cannot be located to cover the costs of plugging the wells.							Discussion: As per 90-2-1113 (2) the MBOG receives priority grants of up to \$600,000 per biennium to plug abandoned wells. (see match) Statute limits the administrative portion of these grants to 2.5% (or \$15,000). To cover the remaining administrative costs, the MBOG receives a statutory appropriation of \$50,000 of RIT interest, which is deposited to the oil and gas mitigation fund. This provides up to \$65,000 to cover administrative costs of the RD grants, or 10.8 %. Statutory appropriations ensure that a certain level or source of funding is always available to support a specific activity. Guidelines in determining if a statutory appropriation is appropriate are in statute at 17-1-508, MCA. This statute recommends that all of the guidelines be met. This particular statutory appropriation does not meet all criteria. (See the statutory appropriation table.) According to the MBOG, there are 112 abandoned wells on the board’s plugging list.					Options: o Revise RIT interest statute to replace the statutory appropriation with an allocation of interest funds to the oil and gas damage mitigation account. o Revise the reclamation and development grant statute to increase the amount of funding that can be utilized to cover administrative costs. o Revise statute(s) to directly allocate reclamation and development funds to MBOG to plug abandoned wells. o Refinance these activities with the oil and gas privilege and license fund				
	SUB COMMITTEE COMMENTS:												COMMITTEE MEMBER RANKING:	SCORE: 31			
27	DNRC WATER	Art. IX	Title 85, Chapter 1	544,600	N/A	02216	0.00	State Water Projects Bureau administers the operation/maintenance of state-owned water projects, including 25 DNRC dams, approximately 300 miles of irrigation canals, and one 10-megawatt hydropower facility. The bureau is also responsible for dam safety of 10 dams owned by the DFWP. The bureau manages contracts made by the department for the sale or use of water from the storage projects.	general fund; coal tax; other special revenue	Rehabilitation of the Tongue River Dam (\$48 million), Bair and Nevada Dams (\$5.5 million), and North Fork of the Smith (\$800,000). For more detail, see attached sheet.	Rehab Ackley Lake Dam (est. \$1.2 million); Toston Dam (\$800,000); Cataract Dam (\$5.0 million); Cooney Dam (\$188,000); Cottonwood Dam (\$2.1 million); Deadman's Basin Dam (\$1.0 million); Frenchman Dam (\$1.8 million); Martinsdale East Dam (\$180,000); Nilan North Dam (\$70,000); Painted Rocks Dam (\$4.0 million); Ruby Dam (\$5.0 million); Tongue River Dam (\$600,000); and Willow Creek Dam (\$3.0 million)						
LFD COMMENTS:	Assessment: 1. Functions of Water Projects Bureau are consistent with: a. Use of RIT interest: 15-38-203, MCA 2. Activities are not consistent with: a. Water Storage fund: 85-1-631, MCA 3. Program does have measurable performance goals and objectives in place. 4. Program does have an extensive monitoring program in place. 5. Program is dependent on RIT funding. Some financial assistance is available through the excess profits from state hydropower earnings and finance participation from water users associations.							Discussion: The bureau evaluates possible rehabilitation projects based on threats to public safety and welfare, and economic value, to include expansion of existing projects, and lastly, new projects, if feasible. There are thirteen projects on the anticipated future rehabilitation cost estimate worksheet totaling \$24.75 million. This encompasses all projects listed in the goal section of this write up, but does not include potential work on state owned canals. The risks associated with delayed rehabilitation include water losses, and loss of property and lives downstream. Fiduciary responsibility for these potentially catastrophic losses would most likely fall to the state. The routine deposit of RIT interest does allow the state to deal with repairs necessary for public health and safety. The department has access to other funds in case an emergency repair is needed. However, lack of an overall strategic financing plan for project rehabilitation leaves the state at great risk. The water storage fund statute directs the department to establish a grant and loan program for water projects. Water projects can be financed through the renewable resource grant and loan program. The only entity receiving funding from the water storage account is the department.					Options: o Revise statute to eliminate the references to establishing a grant and loan program. o Direct the department to establish a grant and loan program. o Increase allocation to the fund to accelerate the rehabilitation process Extra: o The subcommittee may wish to establish a study resolution to review the potential costs and scheduling of rehabilitation and repair of state owned projects, including canals.				
	SUB COMMITTEE COMMENTS:												COMMITTEE MEMBER RANKING:	SCORE: 28			

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target			
		Constitution	Statute								Goals	Date		
28	DNRC CARRD & WATER	Art. IX	85-1-101 (7)	246,000	see RDG	02458	2.00	St. Mary Rehabilitation Project	general fund; coal tax; other special revenue	Receive federal authority to reconstruct and revitalize the St. Mary Diversion Facilities and to address environmental impacts associated with the operations of the facilities. This project is necessary to protect the water supply for the entire Milk River basin and to address needs and concerns of the Blackfeet Nation.	Submit federal authorization legislation spring of '06; seek federal appropriations winter '06; continue working with the St. Mary Rehabilitation Working Group to find a solution to the rehabilitation of these critical facilities.			
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none">1. Function of the St. Mary’s dedicated staff is consistent with:<ul style="list-style-type: none">a. Use of RIT interest: 15-38-203, MCAb. Use of RIGWA: 15-38-103, MCA2. Activities are not consistent with<ul style="list-style-type: none">a. Reclamation and Development: 90-2-11043. Program does have measurable performance goals and objectives in place.4. Program does have an extensive monitoring program in place.5. Program is currently dependent on RIT funding.</div>							<div>Discussion:<p>This funding supports two FTE, a geologist and a hydrologist who assist the state’s effort in the Milk River basin in regards to the aging infrastructure of the St. Mary’s project. A multi-agency working group has been established to seek federal legislation to secure funding to rehab this project. The federal government built the project in the early 1900’s under the pretense that the water users would maintain, repair and replace the project. Preliminary estimates of \$100 million exceeds the financial capacity of the water users association. To date the state has pledged \$10 million in bonding authority if federal funds are secured. The current federal highway bill includes funding to assist with the repair of the St.Mary’s bridge.</p><p>This funding was established in the base budgets of the CARRD and Water divisions, with language directing the agency to utilize federal funding if it became available. At this time, federal funds have not been realized for this purpose. Current funding from the reclamation and development account is not consistent with statute outlining fund utilization.</p></div>					<div>Options:<ul style="list-style-type: none">o Establish a fund to cover non-related grant and loan costs by combining the grant and loan programs and depositing the excess income into a new fund.o Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statute.</div>	
29	DNRC CARRD	Art. IX	76-15-101 et seq	207,640 & 865,087	30 million + with USDA Farm Bill	02272 02458	3.00	Conservation District Support and Administration	general fund; coal tax; other special revenue	Provide assistance to 58 Conservation Districts, with 400 supervisors. Conservation Districts implement many important natural resource programs and are beginning to develop leadership in many areas. In both the Yellowstone and Missouri River basins, Conservation District Councils have formed to coordinate their responsibilities and identify opportunities for protecting and improving these important river corridors.	Build capacity within CDs; fulfill requirements of the 310 Stream Access program; assist in Missouri River and Yellowstone River Councils as they form to meet the future need of two major watersheds; manage Montana's rangeland resources, and work with CD's to provide educational opportunities for school age students as well as adults.			
LFD COMMENTS:	<div>Assessment:<ul style="list-style-type: none">1. Function of the Conservation District program is consistent with:<ul style="list-style-type: none">a. Use of RIT interest: 15-38-203, MCAb. Use of RIGWA: 15-38-103, MCA2. Activities are not consistent with<ul style="list-style-type: none">a. Reclamation and Development: 90-2-1104, MCAb. Renewable Resources: 85-1-604, MCA3. Program does have measurable performance goals and objectives in place.4. Program does have an extensive monitoring program in place.5. Program is not dependent on RIT funding.</div>							<div>Discussion:<p>Conservation districts help citizens conserve their soil, water, and other renewable natural resources. Montana’s 58 conservation districts are political subdivisions of the state, governed by a board of five elected supervisors. Funding for the operation and conservation activities of each district comes from a maximum of 1.5 mills levied on real property within the boundaries of the district. DNRC is statutorily charged with oversight of the conservation districts.</p><p>The 1.5 mill levy does not produce enough income for some conservation districts. Funding is subsidized through the shared coal severance tax and RIT sources. This funding provides financial assistance, legal advice, inter agency coordination and general support, as required by statute. Local conservation districts also rely on state and federal grant opportunities in order to meet the needs of their constituents.</p><p>During the 2005 session, the CD program received additional one-time-only financial support of \$150,000 for FY 2006 only. Those funds are slated to be used for watershed activities. The 2007 Natural Resources and Commerce Appropriations subcommittee will be faced with the decision of whether to re-appropriate money for these activities.</p></div>					<div>Options:<ul style="list-style-type: none">o Establish a fund to cover non-related grant and loan costs by combining the grant and loan programs and depositing the excess income into a new fund.o Establish a fund to cover non-related grant and loan costs by diverting funds the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statute.o Establish legislative policy regarding the amount of support CDs will receive from the state.o Revise statute to allow CDs to levy more than 1.5 millso Revise shared coal tax fund statute to increase allocation to CDs</div>	

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
30	DNRC WATER	Art. IX	75-7-301	16,002 & 101,946	N/A	02272 02458	1.00	The Flathead Basin Commission was created by the Montana Legislature to monitor and protect water quality and the natural resources and environment of the Flathead basin.	general fund; coal tax; other special revenue	The FBC's is working to reduce nutrient pollution to Flathead Lake by increasing citizen awareness and involvement, forming new partnerships with agencies and non-government organizations, and obtaining grants funds close to \$1.2 million for Voluntary Nutrient Reduction Strategy (VNRS), watershed and monitoring projects.	Providing non-regulatory solutions to water quality problems. Improving, protecting and monitoring water quality are directly linked to the Flathead's economic and social well-being. Some of the current projects include Coal Creek restoration, Mount Creek Road restoration, Ashley Creek Watershed restoration.	
LFD COMMENTS:	<div><div>Assessment:<ol style="list-style-type: none">Function of the Flathead Basin Commission is consistent with:<ol style="list-style-type: none">Use of RIT interest: 15-38-203, MCAUse of RIGWA: 15-38-103, MCAActivities are not consistent with<ol style="list-style-type: none">Reclamation and Development: 90-2-1104, MCARenewable Resources: 85-1-604, MCAProgram does have measurable performance goals and objectives in place.Program does not have an extensive monitoring program in place.Program is not dependent on RIT funding.</div><div>Discussion:<p>The FBC is administratively attached to DRNC. The department's relationship to the FBC is outlined in 2-15-121, MCA basically limiting DRNC to administrative tasks such as revenue collection, budget management and information dissemination. The FBC is granted the ability to exercise policymaking functions independently of the department. The FBC was temporarily transferred from the Governor's office in 2003 to DNRC. The 2005 session removed the sunset clause and permanently transferred the FBC to DNRC.</p><p>The Commission's website indicates it's policy goals but does not provide any measurable outcomes to those goals. The website also indicates the commission has been successful in seeking funding from other sources to support specific activities.</p></div><div>Options:<ul style="list-style-type: none">Establish a fund to cover non-related grant and loan costs by combining the grant and loan programs and depositing the excess income into a new fund.Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statute.Establish legislative policy regarding the amount of support the FBC will receive from the state</div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 23
31	DNRC CARRD	Art. IX	Not Provided	150,000	150,000	02458		Irrigation Development Program	general fund; coal tax; other special revenue	Assist local investment in new irrigation to add value to Montana's agricultural economy; protect existing irrigation developments from changes that would reduce irrigated land base in Montana. The irrigation development program assisted many local efforts and has been especially needed with drought effects on existing irrigation.	Assist in the development of 50,000 acres of new irrigation; work with local groups to protect existing irrigation. Continue to fund test wells so that producers can identify reliable water supplies, especially during drought.	
LFD COMMENTS:	<div><div>Assessment:<ol style="list-style-type: none">Function of the irrigation development program is consistent with:<ol style="list-style-type: none">Use of RIT interest: 15-38-203, MCAUse of RIGWA: 15-38-103, MCAActivities are not consistent with<ol style="list-style-type: none">Reclamation and Development: 90-2-1104, MCARenewable Resources: 85-1-604, MCAProgram does have measurable performance goals and objectives in place.Program does have an extensive monitoring program in place.Program is not dependent on RIT funding.</div><div>Discussion:<p>The 2005 Legislature provided a one-time appropriation of \$150,000 per year to provide grants to develop new irrigation or increase the values of existing agriculture land through improved irrigation. The program appears to be under development at this time.</p></div><div>Options:<ul style="list-style-type: none">Establish a fund to cover non-related grant and loan costs by combining the grant and loan programs and depositing the excess income into a new fund.Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statute.Establish legislative policy regarding the on-going support of irrigation development.</div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 20

Ref #	Agency - Program	Required By:		Biennial Approp \$	Match \$	Fund	# FTE	Current Function/Use	Other Funding Source Possible	Accomplishments	Target	
		Constitution	Statute								Goals	Date
32	DNRC WATER	Art. IX	85-2-350	25,000	N/A, but a Water Mgmt FTE contributes approx. 1/3 of his general funded time to support this group.	02272	0.00	The Clark Fork Task Force shall prepare proposed amendments to the state water plan provided for under 85-1-203 related to the Clark Fork River basin.	general fund; coal tax; other special revenue	Analysis, evaluation and updating of existing water use data and studies, investigation and reporting on current basin water supply, water use and community.	Identify short-term/long-term water mgmt issues/problems & alternatives for resolving any issues or problems identified; identify data gaps regarding basin water resources; coordinate water mgmt by local basin watershed groups, water user orgs, & individual water users to ensure long-term sustainable water use; advise gov't agencies about water mgmt & permitting activities in the Clark Fork River basin; consult with local and tribal gov'ts within the Clark Fork River basin	
LFD COMMENTS:	<div><div>Assessment:<ol style="list-style-type: none">Function of the Clark Fork Task Force is consistent with:<ol style="list-style-type: none">Use of RIT interest: 15-38-203, MCAActivities are not consistent with<ol style="list-style-type: none">Renewable Resources: 85-1-604, MCAProgram does have measurable performance goals and objectives in place.Program does not have a monitoring program in place.Program is not dependent on RIT funding.</div><div>Discussion:<p>The 2005 Legislature provided a one-time appropriation of \$25,000 to support the activities of the task force. The task force is charged with identifying short and long-term water management issues and develops alternative solutions to such issues. The CFTF is only funded for the current biennium. The 2007 Natural Resoruces and Commerce Appropriations subcommittee will be faced with the decision of whether to re-appropriate money for these activities.</p></div><div>Options:<ul style="list-style-type: none">Establish a fund to cover non-related grant and loan costs by combining the grant and loan programs and depositing the excess income into a new fund.Establish a fund to cover non-related grant and loan costs by diverting funds from the reclamation and development fund. This would require changes to the fund statute, RIT interest allocation statute and the RIGWA allocation statute.Establish legislative policy regarding the continuing support of CFTF.</div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING:	SCORE: 19
33	66020	N/A	Title 39 Chapter 10	27,016	N/A	02069	N/A	Natural Resource Scholarship Program The department uses the fund to provide tuition and books for Montana employees who have been dislocated from natural resource jobs.	Workforce Invest Act (WIA) & Trade Adjustment Assistance (TAA)	In SFY06 there has not yet been a need for the RIT funds.	Goals are established on an as needed basis.	N/A
LFD COMMENTS:	<div><div>Assessment:<ol style="list-style-type: none">The scholarship program is not consistent with:<ol style="list-style-type: none">Use of RIGWA: 15-38-101, MCAActivities are not is consistent with<ol style="list-style-type: none">Natural resources worker’s tuition scholarship account: 39-10-106, MCAProgram does not have measurable performance goals and objectives in place.Program does not have a monitoring plan in placeProgram is not dependent on RIT funding. RIT funding has not been accessed due to the presence of sufficient federal funds.</div><div>Discussion:<p>This program was created through SB 322 of the 2001 legislative session. Since that time, the program has provided seven individuals with twelve scholarships for a total of \$13,500. An additional \$80,000 was expended in FY 2004 to supplement federal job funds received in response to the closure of Stimson Mill.</p><p>The program is not dependent upon RIT funding, as sufficient federal funds have been available to assist dislocated natural resource workers. In addition, statute allows the program to accept private grants and donations for the program. Statutes enacting the program are set to sunset in 2007. Given the limited use of this program, the necessity for the program should be questioned prior to extending the program.</p></div><div>Options:<ul style="list-style-type: none">Make no changes, thus allowing the program to sunsetExtend or repeal the sunset date and make no other changesExtend or repeal the sunset date, but reduce the level of funding by modifying the RIGWA statute.</div></div>											
SUB COMMITTEE COMMENTS:											COMMITTEE MEMBER RANKING: <i>NOTE: Agency has voluntarily withdrawn from RIT funding.</i>	SCORE: 1